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SENSITIVE
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SUBJECT: ENERGY MARKET AUTHORITY DEPUTY CEO ON SINGAPORE'S ENERGY FUTURE

¶1. (U) This message is Sensitive But Unclassified. Protect accordingly.

¶2. (SBU) Summary: Singapore Energy Market Authority Deputy CEO Lawrence Wong told the DCM that Singapore would like to take steps to reduce its energy dependence on gas coming into Singapore from its neighbors by pipeline. In 20 or 30 years, Singapore may pursue nuclear power options, Wong said, if the technology is in place to make it safe to operate nuclear reactors in the context of Singapore's very limited land area. In about 10 years, Singapore may move to make greater use of electric cars, which should increase energy efficiency. Starting in 2012, Singapore will have the capacity to bring in LNG by ship, reducing its dependence on the pipelines and the neighbors. End Summary.

¶3. (SBU) DCM met on November 14 with Lawrence Wong, Deputy Chief Executive of Singapore's Energy Market Authority (EMA), and asked Wong how he sees Singapore's energy future. Before Wong's recent move to EMA, which is Singapore's energy market regulator, Wong had served as Principal Private Secretary to Prime Minister Lee Hsien Loong. Wong noted that EMA and Singapore's Energy Studies Institute held the inaugural International Energy Week the week of November 3, attracting 2,500 people to energy-related discussions including a November 4 lecture by Minister Mentor Lee Kuan Yew (transcript e-mailed to State EAP/MTS). Singapore's hope is that this will develop into a major annual international gathering, like the Shangri-La Dialogue in the military and security area. The organizers are looking for a non-governmental partner with extensive energy contacts to play the organizing and networking role for International Energy Week that the London-based International Institute for Strategic Studies (IISS) plays for the Shangri-La Dialogue. Wong plans to approach Cambridge Energy Research Associates (CERA) to see if they are interested in this.

¶4. (SBU) Wong said Singapore, which is currently about 80 percent dependent on gas imported by pipeline from its neighbors to meet its energy needs, is thinking seriously about pursuing nuclear power options to diversify energy supply, but this is a long-term prospect, perhaps 20 or 30 years out. Wong said the idea is to create the conditions so the government can respond in an informed manner if a time comes when a company determines that it makes sense, from an economic perspective, to seek to build a nuclear reactor in Singapore. At present, Singapore has virtually no expertise in the nuclear area, so the country is starting from scratch. The big problem for Singapore with regard to nuclear energy, as Lee Kuan Yew stated, is that it lacks the land area to create a 30-kilometer safety buffer around a nuclear reactor. Another problem, Wong noted, is that a typical nuclear reactor would generate about one-sixth of Singapore's power needs, which means Singapore would have to come up with elaborate contingency plans to avoid big disruptions if the

reactor ever had to be shut down. As technology advances, this may become less of a problem. Singapore is waiting to see if the U.S. Nuclear Regulatory Committee approves pebble bed reactor technology, which holds out the prospect of moving to multiple mini-reactors that need only small buffer areas, Wong said.

15. (SBU) Wong stated that in the period about 10 years out, Singapore is interested in shifting more to electric cars, which should increase energy efficiency. The GOS does not want to raise unrealistic expectations and is not willing to provide market-distorting subsidies for electric cars, which is why Lee Kuan Yew gave a cautious response when asked about electric cars, but in fact conditions are excellent for electric cars in Singapore, with its compact, flat, landmass. Singapore would need to come up with a creative way for people to charge their cars in parking lots (relatively few Singaporeans have private garages), but this is a technical problem that can be solved. A major advantage of electric cars is that the tendency is to charge them up at night, when the electric grid is otherwise relatively lightly utilized.

16. (SBU) In the period starting four years out, in 2012, Singapore will begin using LNG (initially three million tons annually, later six million tons) to meet a significant part of its energy needs. Singapore is working with BG of Houston, which will be the consolidator. The big advantage to LNG is that it can come in by ship from suppliers anywhere, which will lessen Singapore's dependence on gas that comes by pipeline from the neighbors.

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